

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|--------------------------------|---|------------|
| FILING OF OWEN ELECTRIC |) | |
| COOPERATIVE, INC. TO ESTABLISH |) | Case No. |
| CERTAIN NONRECURRING CHARGES |) | 2010-00145 |

O R D E R

On March 16, 2010, Owen Electric Cooperative, Inc. ("Owen") filed a petition with the Commission for approval of a tariff rate to recover costs associated with automatic meter reading remote disconnection. This charge is for the service rendered when a remote collar is used to disconnect or reconnect a customer's electric service for nonpayment. The application proposed that the tariff become effective on April 16, 2010. However, the Commission found that an investigation was necessary to determine the reasonableness of the proposed charge and suspended the proposed tariff for a period of five months up to and including September 15, 2010. Commission Staff issued a request for information on April 15, 2010 and Owen responded on April 23, 2010. The Attorney General of the Commonwealth of Kentucky, through his Office of Rate Intervention, was granted full intervenor status in this case.

Owen has invested in automatic meter reading equipment. This equipment, when supplemented with a disconnect collar installed on a customer's meter, allows the customer's service to be remotely disconnected and reconnected. The cost for the remote collar is \$195. Under Owen's current tariff, customers are charged \$30 for each trip made to the customer's premises during regular working hours and \$50 for each trip

made after regular working hours. Therefore, customers are charged a total of \$60 for a manual disconnection and reconnection of service made during regular working hours. Under the proposed tariff, if a remote disconnect collar is used, a fee of \$30 would be charged for the disconnection and an additional \$30 would be charged for the subsequent reconnection, for the same total of \$60. No overtime charges would apply when using the remote disconnect collar.

Because the charges proposed for remote disconnection and reconnection are the same as those for manual disconnection and reconnection, Owen was asked to explain the benefit of the proposal, given that it requires additional capital expenditures. In its April 23, 2010 response, Owen stated that the use of the remote disconnect collar will result in an increase in safety for its employees and the elimination of access problems to meters. Furthermore, the use of the disconnect collar will reduce the fees charged to customers who are reconnected after regular working hours.

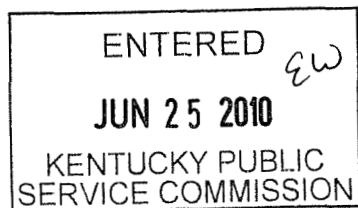
Owen has purchased 1,500 disconnect collars and installed approximately 1,000. In determining which meters to equip with the disconnect collars, Owen states that consideration was given to the customer's historical pattern of disconnections and reconnections, the pattern of subsequent disconnections and reconnections, and the length of time between disconnections and reconnections.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Owen's proposed nonrecurring charges of \$30.00 to remotely disconnect and remotely reconnect service are equal to the expenses incurred to provide that service and should be approved.

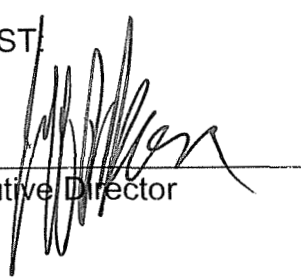
IT IS THEREFORE ORDERED that:

1. Owen's proposed nonrecurring charges of \$30.00 to remotely disconnect and reconnect are approved.
2. Owen shall file, within 20 days of the date of this Order, its revised tariff sheets setting out the charges approved herein and showing their date of issue and that they were issued by authority of this Order.

By the Commission



ATTEST


Executive Director

Lawrence W Cook
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204

Mark Stallons
President
Owen Electric Cooperative, Inc.
8205 Highway 127 North
P. O. Box 400
Owenton, KY 40359